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*Market Administrator's*

# BULLETIN

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## **Milk Production Below Year Earlier In June and July**

The Dairy Situation, Economic Research Service USDA, August 1964

Milk production in June was estimated at 11,790 million pounds and in July at 10,824 million, down 0.4 and 0.3 percent, respectively, from year-earlier months. Except East North Central and Western regions, the decline was general in all areas. In these regions small gains occurred in several important dairy states, including Michigan, Wisconsin, Minnesota, and California.

For the first 7 months of this year milk production totalled 77.2 billion pounds, up 0.6 billion from the same months of 1963. The average daily gain was 0.3 percent.

Production in the January-May period rose 0.6 percent from a year earlier but then declined in June and July by 0.4 and 0.3 percent because of abnormal pasture conditions.

The milk flow so far this year is continuing a long established trend toward more uniform seasonal production. Production in the May-July period, the normal peak months, is relatively lower than in earlier years. In the 1935-39 period, peak-period production exceeded low-period production during October-December by 42 percent; in contrast, peak-period production was only 24 percent above low-period production during 1959-63. This gradual change has occurred because proportionately more cows

are freshening in fall and winter than in earlier years, and because higher quality roughages and more grain and concentrates are being included in feeding programs.

Production for June and July in several North Central and Western States was maintained or increased from last year's level and may continue so throughout 1964. In the North Atlantic and South Atlantic States output also was higher in the first 7 months than a year earlier and is likely to be above last year's levels for the rest of 1964. In these regions potential increases may be limited by reduced supplies of forage on many farms.

Total milk production for 1964 may be near the 125½ billion pounds indicated by production for the first 7 months this year. This compares with the record level of 126 billion in 1962. Pasture conditions may affect U.S. production through September.

Nationally milk production per cow during June and July gained 2.6 percent over the same period a year earlier. Output per cow on U.S. farms during the first 7 months of 1964 was 4,789 pounds, 4 percent above a year earlier, compared with the 1954-63 average of 3 percent per year, and the 1963 gain of 2.1 percent.

## **MILK AND DAIRY PRODUCTS CONSUMPTION PER PERSON LOWER THAN PREVIOUS YEAR**

The Dairy Situation, Economic Research Service  
USDA, August 1964

Consumption of all dairy products in the United States in 1963 was 628 pounds per capita (milk equivalent), 1 percent below 1962 consumption of 635 pounds. It has declined each year since 1955. These are revised estimates based on the annual review of all production and utilization data. Beginning with 1960, estimates for the States of Alaska and Hawaii are included in the population and production data used in computing per capita civilian consumption, and national per capita consumption data apply to all 50 States.

Per capita consumption of milkfat in 1963 was 23.3 pounds, compared with 23.7 pounds in 1962. Per capita consumption of milk solids-not-fat in 1963 was 41.4 pounds, down 1 percent from 1962. It has declined each year since 1956 by an average of 0.5 pound per capita.

Consumption of fluid milk and cream during 1963, at 308 pounds per person was unchanged from 1962, and in that year the decline from a year earlier was only 2 pounds. Although this is the lowest per capita level since data have been compiled, fluid milk and cream consumption appears to have leveled off compared with the average decline of 7.6 pounds

(Continued on Page Four)



Toledo

## MARKET FACTS FOR EASY REFERENCE

Based on Milk Testing 3.5% Butterfat  
F. O. B. Handler's Plant

### PRICE SUMMARY

Market Blend Price .....	
Class I .....	
Class II .....	
Producer Butterfat Differential for each one-tenth percent .....	

August 1964	July 1964	August 1963
\$3.964	\$3.622	\$4.355
4.300	3.870	4.650
3.095	3.026	3.014
7.0¢	7.0¢	7.0¢

### PRODUCER MILK RECEIPTS

Total Pounds of Producer Milk Delivered .....	
Average Daily Class I Producer Milk .....	
Average Daily Receipts per Producer .....	
Total Number of Producers .....	
Average Butterfat Test of All Producers .....	

August 1964	July 1964	August 1963
30,725,120	32,194,838	29,532,126
710,642	726,473	777,309
994	1,042	913
997	997	1,043
3.46	3.45	3.50

### UTILIZATION SUMMARY

Amount of Producer Milk in Class I .....	
Amount of Producer Milk in Class II .....	
Percent of Producer Milk in Class I .....	
Percent of Producer Milk in Class II .....	
TOTAL VALUE AT 3.5% .....	
TOTAL VALUE AT TEST .....	
Income per Producer (7-day Average) .....	

August 1964	July 1964	August 1963
22,036,109	22,520,649	24,096,593
8,689,011	9,674,189	5,435,533
71.7	70.0	81.6
28.3	30.0	18.4
\$1,217,816	\$1,165,939	\$1,286,252
1,208,730	\$1,153,676	1,287,013
273	\$261	\$278

### GROSS CLASS USE (Pounds)

Class I Milk .....	
Class II Milk .....	

August 1964	July 1964	August 1963
22,375,821	22,929,512	24,102,642
12,571,341	11,220,759	8,752,264

## AUGUST PRICES PAID PRODUCERS (3.5%) Milk

Name of Handler	Aug. 1964	Price Prem. Paid	July 1964	Price Prem. Paid	Aug. 1963	Price Prem. Paid
1. Adrian Dairy .....	\$4.15	\$.27	\$3.74	\$.52	\$4.62	\$.05
2. Babcock Dairy .....	4.03	.24	3.69	.47	4.35	.04
3. Cherry Grove Dairy .....	—	—	—	—	4.36	.04
4. Driggs Dairy Farm, Inc. ....	4.01	.23	3.58	.39	4.49	.04
5. Independent Dairy .....	4.17	.26	3.70	.49	4.63	.05
6. Napoleon Creamery .....	3.90	.20	3.47	.32	4.15	.03
7. Page Dairy Co. ....	3.86	.19	3.52	.34	4.21	.04
8. Sealtest Foods (Toledo Division) .....	3.91	.20	3.68	.47	4.42	.04
9. Sterling Milk Co. ....	4.15	.26	3.77	.53	4.41	.04
10. Trilby Farm Dairy .....	4.07	.24	3.64	.44	4.06	.04
11. Village Farm Dairy .....	4.05	.23	3.50	.34	4.30	.04
12. Woodville Riverside Dairy .....	4.01	.17	3.61	.36	4.42	.04

Note: In addition to the prices listed for milk testing 3.5% butterfat, a few producers received premiums for quality or high-testing milk



**COMPARATIVE STATISTICS**

**TOLEDO MARKETING AREA**

Aug., 1955 - '64

Year	Producers Receipts From	Average Butter-fat Test	Percentage of Producer Milk in Each Class		Uniform Producer Price (3.5%)	Class Prices at 3.5%		Number of Producers	Daily Average Production
			Class I	Class II		Class I	Class II		
1955.....	18,840,403	3.50	93.3	6.7	4.412	4.525	2.817	1,886	322
1956.....	18,991,470	3.50	96.8	3.2	4.732	4.784	2.967	1,731	354
1957.....	19,977,035	3.53	96.7	3.3	4.815	4.835	3.185	1,704	391
1958.....	21,640,933	3.60	93.5	6.5	4.611	4.694	3.044	1,483	471
1959.....	22,508,826	3.52	90.1	9.9	4.504	4.652	3.002	1,315	552
1960.....	23,731,875	3.60	89.4	10.6	4.560	4.726	3.076	1,162	659
1961.....	26,298,077	3.56	86.0	14.0	4.371	4.552	3.202	1,138	745
1962.....	27,606,414	3.51	81.6	18.4	4.379	4.690	2.946	1,109	803
1963.....	29,532,126	3.50	81.6	18.4	4.355	4.650	3.014	1,043	913
1964.....	30,725,120	3.46	71.7	28.3	3.964	4.300	3.095	997	994

**USDA Food Donations Top 1.8 Billion Pounds In Fiscal 1964**

USDA August 31, 1964

The U.S. Department of Agriculture distributed more than 1.8 billion pounds of food nationally during the fiscal year 1964 to further increase effective usage of this Nation's agriculture abundance. Schools and charitable institutions used considerably more donated foods this year. The quantity distributed to all outlets, however, decreased by 3 percent, reflecting lighter participation among needy families as a result of improved economic conditions.

Foods distributed to schools in the

U.S. and Territories totaled 528 million pounds, or 40 million pounds more than the program used last year. This reflects increased donations to needy schools, and demonstrates Federal-State cooperation in helping to improve the diets of America's school children. Additionally, supplementary foods are purchased with USDA funds to help schools participating in the Nation's youngsters.

Donations of food benefiting some 1.4 million persons in charitable institutions increased 16.7 million

pounds for a total of 181.9 million pounds in fiscal year 1964.

The smaller number of needy persons received 1.1 billion pounds of donated foods during the year ended June 30, compared with the previous year's total of 1.2 billion pounds.

Victims of hurricanes, the Ohio River flood, the Alaskan earthquake, and similar natural disasters received USDA commodities in 13 States this year.

**Prices Farmers Receive Close To Year Earlier, Rising Seasonally**

The Dairy Situation, Economic Research Service USDA, August 1964

Farmers received an average of \$3.94 per 100 pounds for all whole-sale milk in July. This was 3 cents above a year earlier and about the same as the 1957-59 average for the month. The July price ranged from 9 cents per 100 pounds above a year earlier in the Middle Atlantic region to 9 cents below in the West South Central region. These prices are rising seasonally at about the same rate as in 1963, and are expected to continue rising the rest of the year. Increases will come from seasonal decreases in milk receipts, which increase the proportion for Class I and

the customary price increases for milk used for bottling.

The price farmers received for milk eligible for the fluid market rose seasonally 22 cents from June to July (to \$4.37 per 100 pounds). The price farmers received for manufacturing grade milk in July averaged \$3.15 per 100 pounds, 2 cents above a year earlier. Adjusted to the annual average milkfat content (3.75 percent), the manufactured grade price is \$3.25 or 10 cents above the price support level of \$3.15 per 100 pounds.

In June, prices paid farmers for milk used in butter and byproducts were 6 cents above that for milk used

in American cheese, a reversal of the situation earlier this year.

During July and August prices paid by dealers for milk for fluid purposes rose seasonally to \$5.35 per 100 pounds, about the same increase as a year ago.

Improvement in the supply-demand situation showed in the price rise for butter. Wholesale butter prices in New York and Chicago went up in late July, and in Chicago on August 25 were 2½ cents per pound above CCC purchase price of 58 cents. Non-fat dry milk wholesale prices are slightly above a year ago, while American cheese prices are slightly below year earlier levels.

The relationship of milk prices to those of other livestock products remained more favorable to milk production in July than a year earlier.

**AVERAGE DAILY SALES OF:**

	Fluid Milk	Chocolate	Buttermilk	Fluid Cream
			Quarts	
August, 1964 .....	299,790	9,923	4,356	8,781
August, 1963 .....	313,783	8,957	4,617	9,312

MILK AND DAIRY PRODUCTS . . .

(Continued from Page One)  
per year for 1957-61.

Consumption per person of butter in 1963 was 6.8 pounds, 4 percent below 1962 and the smallest per capita since the series began in 1909. Consumption per person has trended downward since 1955 by an average of 0.3 pound per year.

In 1963 per capita consumption of all cheese was 9.4 pounds. A new record of 6.2 pounds was established for American cheese, while consumption of other varieties was equal to the record level of 1962. Consumption per capita of Brick, Munster, and Italian varieties rose, while that of Swiss, cream and Neufchatel and unclassified varieties was below 1962. Cottage and full skim cheese consumption in 1963 was 4.4 pounds per capita, 2 percent below 1962 and 4½ percent below the 1957-61 average.

Ice cream use per person rose ½ percent in 1963 from 1962, but ice milk consumption increased 7 percent to 6.0 pounds, a record level.

Nonfat dry milk consumption per capita in 1963 was 5.4 pounds per person, 4 percent below 1962 and the lowest since 1957. The decline in 1963 was due primarily to lower domestic distribution of nonfat dry milk from CCC stocks than in 1962.

HAY SUPPLY FOR 1964-65 DOWN SLIGHTLY

The Feed Situation, Economic Research Service USDA, August 1964

The 1964-65 hay supply was estimated on the basis of August 1 indications at 136 million tons, 3 percent below 1963-64 and also a little below the 1958-62 average. The 1964 crop, estimated at 116 million tons, is slightly below a year earlier and the May carryover was about 3 million tons less. The number of roughage-consuming animal units has been expanding for several years while hay supplies have been comparatively stable. This has resulted in a decline in the supply of hay per animal unit from 1.58 tons in 1958-59 to 1.36 in 1963-64. The consumption of hay per animal unit also has declined in recent years and in 1963-64 was about 5 percent below the 1958-62 average.

The slight reduction in the hay crop this year was due to lower yield

per acre, which a little more than offset a 1 percent increase in the harvested acreage. In most of the Midwestern States the crop is near or above average. Indicated production in most Southern States is above last year, but in a number of these States the prospective crop is again below average. Prospective production is above average in nearly all Western States.

Pastures have again been below average this summer, although about as good as they were in 1963. Pasture conditions on August 1 were generally good in the Eastern Corn Belt, the South Atlantic States and the Western areas of the country. For the entire country pastures averaged 69 percent of "normal" on August 1, 14 percentage points below the 1958-62 average for that date.

Market Quotations

AUGUST  
1964

MINNESOTA - WISCONSIN PRICE SERIES .....	\$3.15
MIDWEST CONDENSERIES 3.5% per Cwt. ....	3.023
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Columbus) .....	3.095
Average Price per lb. 92-score butter at Chicago .....	.5951
Average carlot prices non-fat dry milk solids, roller and spray process, f.o.b. manufacturing plant .....	.1430

THE  
*Market*  
*Administrators*  
**BULLETIN**

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